



**STATE OF CONNECTICUT**  
*DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES*  
*A Healthcare Service Agency*

Dannel P. Malloy  
Governor

Patricia A. Rehmer, MSN  
Commissioner

**Testimony of Patricia A. Rehmer, MSN, Commissioner**  
**Department of Mental Health & Addiction Services**  
**Before the Appropriations Committee**  
**March 2, 2011**

Good afternoon, Senator Harp, Representative Walker and distinguished members of the Appropriations Committee. I am Patricia A. Rehmer, Commissioner of the Department of Mental Health and Addiction Services. DMHAS, as a health care service agency, focuses on helping more than 110,000 adults annually over age 18 - from communities throughout all of Connecticut - to recover and sustain their health in response to a psychiatric disability and/or substance use disorder. For thousands of other Connecticut citizens, our focus is prevention and health promotion. The DMHAS system of care is a public/private partnership. It includes DMHAS' operated services – one (1) hospital and six (6) local mental health centers – and contracted partnerships with the state's general hospitals and over 165 private non-profit, community-based agencies statewide.

I am pleased to be here to discuss the Governor's proposed biennial budget for FY 2012 and FY 2013. As Connecticut continues to deal with its budgetary challenges, the Department remains committed to its core mission of promoting wellness, preventing illness, and developing a recovery-oriented system of care for people with serious psychiatric and substance use conditions. The DMHAS proposed budget presented to you by the Governor is one that not only protects core services that are in place, but also adds new funds for some pressing acute needs in the system as we continue to advance the recovery-oriented emphasis. This budget continues to preserve our core safety net function and allows us to effectively respond to our mission and to meet the goals as stated above. Its focus on funding for community services will continue to move Connecticut toward a system that is less reliant on expensive inpatient beds

The Governor's recommended budget for DMHAS includes funding for increased caseload and utilization growth in several DMHAS programs. These include: 1) the Medicaid Low Income Adults (LIA) program; 2) the Young Adult Services program; 3) the Acquired Brain Injury program; and 4) the Medicaid Home and Community Based Waiver program.

Let me take a moment to describe some of these significant recommendations:

- On April, 2010, in order to maximize federal revenue, the state initiated the Medicaid for Low Income Adults (LIA) program to make individuals who had previously been enrolled in State Administered General Assistance (SAGA) eligible for Medicaid. During the period from June, 2010 until February, 2011 LIA caseload increased by 25%. Funding increases of \$21.7 million in FY 2012 and \$15.4 million in FY 2013 are recommended to fund anticipated caseload growth of 11% and 8% respectively for the behavioral health services of the LIA program. These funding increases include savings of \$12.9 million in FY 12 and \$13.9 million in FY 13 related to implementing an administrative services organization (ASO) for LIA. They also include \$2.0 million savings in FY 12 and \$3.5 in FY 13 as a result of programmatic changes to the LIA program.
- The recommended budget increases Young Adult Services (YAS) funding for FY 2012 and FY 2013 by \$4.4 million each year. These funds will support a net increase of 50 young adults transitioning from the Department of Children and Families to DMHAS in order to assure that their services and supports continue. Expansion of Young Adult Services is in direct correlation to the increasing referrals of extremely impaired, high-risk young adults, ages 18-25 who have been identified with a severe and persistent psychiatric disability. YAS staff is actively engaging approximately 250 young adults involved with the Department of Children and Families in transition planning. These new resources will assure that these young adults will have access to clinical, residential, employment, education and social supports that are necessary to achieve their individual life goals, improve their quality of life and promote and sustain community living. The young adults who age out of the YAS program, transition into DMHAS' existing service system.

- Funding is included for 11 additional community placements for individuals with traumatic or acquired brain injury TBI/ABI in the amount of \$1.6 million in FY 2012 and \$1.5 million in FY 2013. This additional funding represents community options for those individuals with TBI/ABI who are in DMHAS' inpatient settings – but who no longer need a hospital level of care.
- Funding is included for additional placements under the Medicaid Waiver for persons with serious mental illness in the amount \$2.4 million in FY 2012 and an additional \$2.1 million in FY 2013. These funds will provide needed community living services and supports for 219 additional adults with serious mental health illness. Additional capacity under this waiver is necessitated by the planned expansion of the Money Follows the Person (MFP) program administered by DSS. Under the agreement with the feds, we have to accommodate an increased number of clients who will be transitioning off MFP while maintaining capacity for both clients in the ED diverted into community settings where in the past they would have been admitted into nursing homes, and clients currently in nursing homes who do not qualify for the waiver, but are better served in the community.
- Funding of \$3.4 million is recommended over the biennium to fund community living services and supports each year for 18 adults transitioning from inpatient settings to various specialized residential community settings and to support the cost of the new intermediate duration acute psychiatric care services developed in a general hospital setting in response to the closure of Cedar Ridge Hospital. These dollars will allow us to continue to move individuals out of our state operated inpatient settings and meet the demands of the settlement agreement with the Department of Justice (DOJ).
- Funding of \$4.8 million over the biennium is also recommended to support development of an integrated client information system for treatment planning, seclusion and restraint information and medication, pharmacy and incident management for our state-operated facilities. These dollars are also critical to our compliance with the DOJ settlement agreement and our ability to respond to federal health care reform and billing requirements.
- Funding of \$562,000 is recommended in FY 2013 to support the operating costs of 150 new units of supportive housing anticipated to be in place by January 2013. These are new services dollars that will be linked to the Governor's \$30 million capital recommendation that will produce 150 units of supportive housing. This initiative will support investment of our precious state resources into programs that reduce homelessness and high cost inpatient psychiatric care as well as prison recidivism. These are sound fiscal investments that we have seen pay off time after time.

In addition to the above recommendations proposed in the budget for DMHAS, there are several proposed service reconfigurations.

The Governor's budget proposes savings of \$1.0 million through the transfer of 15 staff currently assigned to the Office of the Commissioner to fill critical vacancies in other DMHAS facilities. The budget also includes savings of \$491,000 by reducing support to research activities at the Connecticut Mental Health Center and support for administrative functions in the Yale staffing contract.

Other reductions and efficiencies to the DMHAS budget include savings estimated at approximately \$3.6 million as a result of the decreased need for uncompensated care grants for hospitals and federally qualified health centers (FQHCs), as the result of significantly increased LIA reimbursements for these providers. Despite these reductions, it is anticipated that DMHAS expenditures for General Hospital inpatient services will increase from \$17.4 million in FY 10 to \$69.2 million in FY 12 and \$74.7 in FY 13. In addition, the FQHCs are projected to receive \$20.6 million in FY 12 and \$22.1 in FY 13 from LIA behavioral health payments and DMHAS grants, which is significantly higher than the \$6.1 million they received in FY 10. Additionally, the Governor's budget proposes to reallocate \$8.3 million from the Court Support Services Division (CSSD) into a new account in DMHAS that will support behavioral health services for the criminal justice population and the transfer of funds from the DSS Medicaid account of \$489,000 in FY 2012 and \$1.0 million in FY 2013 to support 30 Medicaid Home and Community Based Waiver slots per year in order to divert individuals who present in emergency rooms, shelters, and from nursing homes. Many of these measures are in place to gain efficiencies in our contracting and monitoring responsibilities

I am happy to report that the Governor's budget does not call for any across-the-board reductions to the grants accounts that support our private, not-for-profit providers and recommends Bond authorizations for DMHAS nonprofit providers of \$5.0 million dollars in each the year of the biennium for facility renovations and improvements.

Thank you again for the opportunity to address the Committee today. I believe that the budget before you will help address many of the needs of those we serve. We will be happy to take any questions you may have at this time.